

ABOUT SACTO

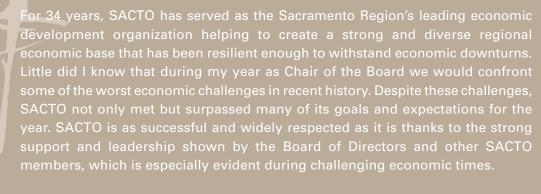
- >> 34 Years
- >> Billions of dollars in direct investment
- >> Over 100,000 new direct jobs
- >> Over 300 company locations







MESSAGE FROM THE CHAIR



Launched in Fall 2005, SACTO's five-year strategic plan "Building a First-Tier Economy" continued to provide a reliable roadmap over the past year and will position us for future successes. Through the execution of the plan, we experienced a number of noteworthy accomplishments detailed in this report. Here are a few highlights:

- SACTO prospect activity was higher than it has been in five years. Our business attraction efforts resulted in seven company locations and expansions with a potential economic ripple effect of 891 jobs, \$96 million in total added value, \$192 million in output, \$50 million in employee compensation, and \$9 million in state and local taxes.
- Through our ongoing national and international public relations strategy, we reached an audience of 58.5 million people through online, radio, television, and print channels.
- The "If We Tell You" marketing campaign featuring a series of 16 postcards with little-known facts about the region was launched.





Marketing and communications activities were expanded to include social media networking opportunities as well as other tools for electronic communications to internal and external markets.

■ SACTO's partnership with the Green Capital Alliance (GCA), an outgrowth of Partnership for Prosperity, was beneficial in advancing SACTO's business attraction and promotion efforts focused on the clean energy technology sector.

■ SACTO's research partner, formerly known as the Sacramento Regional Research Institute (SRRI), was renamed the Center for Strategic Economic Research (CSER) to more accurately represent its expanded services and geographical reach.

 CSER released the fourth annual Prosperity Index and introduced the Sacramento Region Business Forecast.

New private sector member revenue reached an all-time high, and private sector revenue and retention were at higher-than-expected levels.

SACTO was able to realize these successes because of the tremendous support and collaboration that exists in the Sacramento Region. It has truly been an honor and privilege to be part of SACTO's Board and to help lead the organization through this past year. I want to thank everyone for their ongoing support and commitment to fulfilling SACTO's mission.

Sincerely,

Tousje Koll

Toosje Koll Resources Global Professionals 2008/2009 SACTO Chair

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GOAL: Strengthen and expand business recruitment efforts to capture quality economic opportunities for the Sacramento Region with an emphasis on high-value and headquarter companies.

Through its strong network of regional economic development partners, SACTO has the unique ability to connect businesses with the information and resources they need to evaluate, plan, and implement a location or expansion in the region.

Last year, SACTO assisted seven companies with locations and expansions in the region. Five of these companies are classified as high value (supporting 84 percent of the total recruited companies' employment), and three of them fall within the clean technology sector (accounting for 61 percent of the total jobs supported by the recruited companies).

2008/2009 LOCATIONS AND EXPANSIONS:

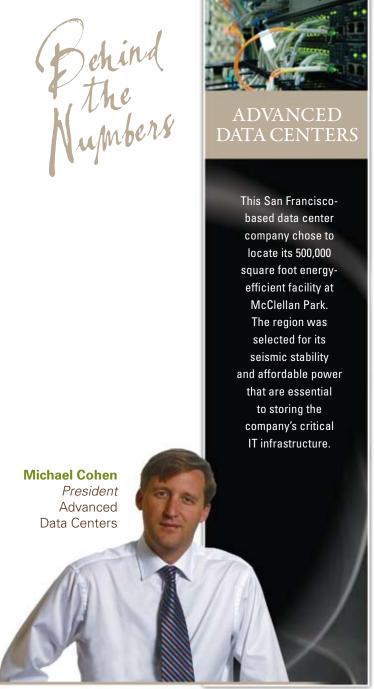
By the Numbers Total Regional Impacts* or "Ripple Effect" of Located Companies

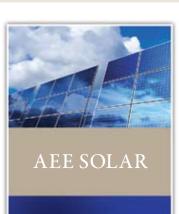
IMPACT	Direct	Indirect	Induced	TOTAL
Employment	430	250	211	891
Output	\$130,989,754	\$34,643,606	\$25,991,018	\$191,624,378
Value Added	\$60,732,366	\$19,309,207	\$15,685,600	\$95,727,173
Employee Compensation	\$30,781,207	\$11,416,664	\$7,741,533	\$49,939,404
State & Local Tax Generation	า -	-	-	\$8,524,289

^{*}regional impact includes the calculated direct, indirect, and induced economic impacts

VALUE & QUALITY

Five of the seven companies are classified as high value, supporting 86 percent of the total recruited companies' employment.





When this wholesale distributor of renewable energy products was looking for a new headquarters location, they wanted a progressive and environmentally friendly city that attracts highcaliber talent. The Sacramento Region met the criteria and also offered a transportation infrastructure that allows for efficient and convenient access to their customer base.



ALLDATA

search of possible locations within the Sacramento Region, as well as outside the region and the state, this world-wide automotive services firm chose to remain and expand into larger facilities in Elk Grove. The company's proven high-quality workforce and ongoing support from regional organizations influenced their decision.







Accounting for the ripple effect, the recruited companies could generate a total of 891 jobs and \$192 million of output in the region's economy.





Building a First-Jier Econophy Strategy Two:

GOAL: Plan and implement marketing and communications activities that will generate business development opportunities and create a "first-tier image" of the Sacramento Region.

SACTO's ongoing strategy to raise the level of awareness of the Sacramento Region in top national, international, and industry media outlets resulted in online, radio, television, and print coverage reaching over 58.5 million people. Regional spokespeople participated in outbound media interviews with journalists and site location professionals in New York City and Washington, D.C., with coverage ranging from a cover story on the role of green energy initiatives in the revitalization of the U.S. manufacturing sector in Business Xpansion to a television interview with Mayor Kevin Johnson on Bloomberg TV.



First-tier communications strategies resulted in the following domestic and international media coverage:

- AM830 KLA
- AmericanCity&County.com
- Bloomberg TV
- Business Xpansion Journal
- Cleanskies.tv
- em The Magazine for Environmental Managers
- World Trade

DISCOVER & DISTINGUISH



- Access Sacramento City Hall
- American Subcontractors Association
- California Institute of Nanotechnology
- CB Richard Ellis Commercial Real Estate Outlook
- City of West Sacramento
- Drexel University Center for Graduate Studies
- Elk Grove Chamber of Commerce
- Green Capital Alliance CEO Roundtables
- Green Collar Jobs Council
- Grubb & Ellis Real Estate Forecast
- Leadership El Dorado

- Leadership Rancho Cordova
- Leadership Roseville
- Leadership Sacramento
- Los Rios Community College
- Sacramento Asian Pacific Chamber of Commerce Green Bus Tour
- Sacramento Association of Realtors
- Sacramento Business Journal Early Bird Economic Forecast
- Sacramento Business Journal High Tech Direct
- West Sacramento Chamber of Commerce
- Western Region Airport Property Managers
- Woodland Chamber of Commerce
- Yuba County Cyber Command
- Yuba-Sutter Economic Development Summit

TRADE SHOWS AND CONFERENCES

- BayBio Gene Acres (life sciences)—South San Francisco, CA
- CoreNet Global (real estate)—Orlando, FL
- Germany California Solar Day (clean energy)—San Francisco, CA
- Green California Summit (clean energy)—Sacramento, CA
- Industrial Asset Management Council Fall Forum (real estate)—Oklahoma City, OK
- International Economic Development Council (economic development)—Atlanta, GA
- Intersolar North America Conference (clean energy)—San Francisco, CA and Intersolar 2009—Munich, Germany
- Medical Design & Manufacturing Conference (medical device)—Anaheim, CA





SACTO provided regional leadership by serving on boards, advisory councils, planning committees, hosting international business delegations, and speaking on a variety of topics ranging from economic development strategies to trends in the economy.

DISCOVER & DISTINGUISH

SACTO-Hosted International Delegations

Marketing to Japan, Germany, Ireland, and England

- Chinese Business Leaders
- Cypress Economic Development
- General Consulate Belgium
- Republic of Moldova Economic Development
- National Technology Agency of Finland (TEKES)
- Paris, France Economic Development
- Polish Governors

To further inform external markets, the "If We Tell You" marketing campaign featuring a series of 16 postcards with little-known facts about the Sacramento Region was launched. Postcards are mailed to the top site location professionals and SACTO prospects around the world every month and are also distributed electronically within the region to raise awareness of our regional assets and celebrate our successes.



Marketing and communications strategies were expanded to include a SACTO Twitter page (twitter.com/ SACTO_EDC). Other social media opportunities were explored and plans are underway to expand our audience reach with these tools.



- The City of Sacramento was declared a Solar America City in 2008 by the U.S. Department of Energy
- Davis included on the 2009 list of "Top 25 Cities for Living Well" by Forbes.com
- SustainLane ranked Sacramento 3rd in the category of Green Economy, 4th in Energy and Climate Change Policy, and 8th in Green (LEED) Building in their 2008 city rankings
- UC Davis among the top 100 universities in the world, moving from 206th place in 2005 to 89th in 2008
- UC Davis MBA program ranked among the top 40 programs in North America and among the top 70 in the world
- UC Davis among the world's Top 10 Most Entrepreneurial Universities

Building a First-fier Econophy Strategy Three:

GOAL: Guide the region through an economic development strategic planning process that strengthens the Sacramento Region's competitive position in the global economy.

Since spearheading and launching Partnership for Prosperity (PFP) in Spring 2006, SACTO remains actively involved in the implementation of this region-wide economic development strategy. SACTO's primary involvement is through the Green Capital Alliance (GCA), which is an outgrowth of PFP's Clean Energy Action Team. GCA's overarching goal is to promote the region's clean energy technology assets and coordinate regional efforts that support the growth of this industry. Recent GCA initiatives include the development of regional uniformity for solar panel permitting across the six-county Sacramento Region, the formation of an AB 811 regional energy savings financing task force, and partnering with Workforce Investment Boards to achieve workforce goals and align American Recovery and Reinvestment Act investments.

Partnership for Prosperity 2.0

PFP's four action teams—focused on clean energy technology, education and workforce, civic amenities, and business development—convened in April to assess progress to date and identify strategies for moving forward. With a solid foundation of coordinated research and action established, the group determined that it was time to transition PFP 1.0 to the next phase. PFP 2.0 will focus on developing additional transformational, self-sustaining action areas similar to GCA.

Building a First-Tier Econophy Strategy Four:

GOAL: Benchmark the Sacramento Region's competitive position for the purpose of evaluating the competition and identifying opportunities for improvement.

The Center for Strategic Economic Research (CSER)—formerly known as the Sacramento Regional Research Institute (SRRI)—developed the *Prosperity Index* in 2005 as part of "Building a First-Tier Economy" and as an outcome of Partnership for Prosperity's regional economic development strategic planning process. It provides business and community leaders with a valuable tool to measure regional economic prosperity and track the region's performance against competitor regions in order to evaluate the competition and identify opportunities for improvement.

Since the *Prosperity Index* was introduced, there have been three annual updates to the overall *Index*—which measures indicators in the areas of BUSINESS, PEOPLE, and PLACE—and 16 quarterly updates to the BUSINESS component.

2008 Report: Sacramento Region Above Average Overall—Region's **People Remain Main Strength**

The Sacramento Region jumped two spots from the prior year, from ninth to seventh place on the 2008 Prosperity Index. This improvement was primarily due to gains in the BUSINESS and PLACE components. The Sacramento Region's primary strength continued to be in the PEOPLE category, where it placed fourth overall ahead of three out of four California regions. The Sacramento Region continues to offer a notable competitive advantage in terms of its population and workforce.

This important benchmarking tool was underwritten by the following SACTO member organizations:











Toosje Koll 2008/2009 SACTO Board Chair

The Index reveals how well the Sacramento Region stacks up against its competitors—where it excels and where it falls short.

position, and we are pleased to see these

efforts reflected in this year's results.

The Sacramento Region Business Forecast is made possible through the generous support of these underwriters:

CSER also produced two bi-annual updates to the Sacramento Region Business Forecast and expanded it to include major sector level detail to the overall job growth outlook. The Forecast was developed in 2007 to serve as a forward-looking resource for the Sacramento Region's business and economic development communities and is currently the only locally produced regional economic forecast for the Sacramento Region.

CSER and the Sacramento Business Journal established the Sacramento Region Business Confidence Index to track business sentiment in the Sacramento Region. A survey is posted online the last month of each quarter by the Sacramento Business Journal and CSER analyzes the responses and creates and monitors the Index score.







SACTO YEAR IN REVIEW

SACTO attends InterSolar North America conference in San Francisco

SACTO-Assisted Company Location/Expansion
Announcements: AEE Solar and Drexel University
Center for Graduate Studies





SACTO-Assisted Company Location/Expansion
Announcement: ALLDATA



SACTO attends Industrial Asset Management
Council (IAMC) Fall Forum in Oklahoma City,
Oklahoma

17th Annual Trainor Fairbrook/SACTO Golf
Tournament at Del Paso Country Club draws
another sell-out crowd

etober-

SACTO attends International Economic Development Council (IEDC) meeting in Atlanta, Georgia

SACTO's Deputy Director Bob Burris and PG&E Northern Service & Sales Director Steve Nichols travel to **Germany** to meet with clean energy technology companies

Bob Burris and SACTO Board Chair Toosje Koll attend CoreNet Global Summit in Orlando, Florida

Fall Membership Celebration at the Cosmo Café & Social Nightclub is attended by more than 600 business and community leaders

2008 Prosperity Index underwritten by Los Rios
Community College District, PG&E, and Wells Fargo
is released

Bi-annual *Sacramento Region Business Forecast* underwritten by Grubb & Ellis Company, River City Bank, and SMUD is released

enfinity SIEMENS /AdvancedDataCenters

SACTO-Assisted Company Location/Expansion
Announcements: Advanced Data Centers, Enfinity
Corp, and Siemens Mobility expansion

SACTO YEAR IN REVIEW

Sacramento Business Journal and SACTO present the 2009 Early Bird Economic Forecast—Barbara Hayes gives her annual growth outlook for the region

Barbara Hayes travels to Japan to meet with prospective companies and reach out to companies with facilities in the Sacramento Region

Barbara Hayes meets with top-tier media outlets in New York City on her way to Dublin, Ireland and London, England for company meetings

SACTO is reaccredited as an Accredited Economic Development Organization by the International Economic Development Council

11 SACTO-assisted companies are honored at SACTO's Salute to New Industry luncheon attended by 500 business and community leaders

SACTO attends Bay Bio's Gene Acres conference in South San Francisco



SACTO supports the Sacramento Business Journal's 13th Annual High Tech Direct event

SACTO attends the Medical Design & Manufacturing West conference in Anaheim, California

Bi-annual Sacramento Region Business Forecast underwritten by Grubb & Ellis Company, River City Bank, and SMUD is released

Bob Burris and a team of regional leaders conduct media interviews during Cap-to-Cap in Washington, D.C.

SACTO YEAR IN REVIEW

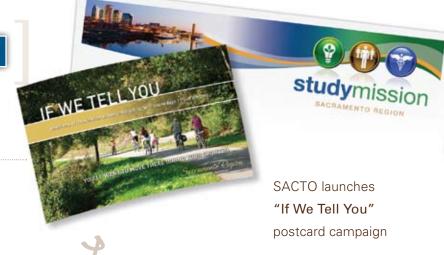
SACTO-Assisted Company Location/ Expansion Announcement: Billtrust



SACTO's annual **Past Presidents' Luncheon** honors past and present leaders who have helped shape SACTO and the region

SACTO attends InterSolar conference in Germany

Spring Membership Celebration at Mason's at The Park is attended by 600 regional leaders



SACTO introduces **Twitter** page at twitter.com/ SACTO_EDC

SACTO partners with regional groups to plan the Sacramento Region Internal Study Mission

SRRI is renamed the Center for Strategic Economic Research (CSER)



Valued SACTO Members: Investing in SACTO and making a difference in the Sacramento Region

Narendra "Pat" Pathipati Executive Vice President and CFO Teichert, Inc.

Teichert: Building Trust Since 1887

From Adolph Teichert's first Sacramento job of building sidewalks around the State Capitol in the 1880s, to laying thousands of miles of roads, sidewalks, and highways, Teichert's roots run deep and are far reaching. Founded in 1887, Teichert remains one of California's oldest and most established companies. Teichert Construction holds California State Contractor's License #8, the oldest active contractor's license in California. Today, the Teichert family of companies includes Teichert Construction and Teichert Materials.

Development Committee





(Left to right)

Kate Paterson, HBH Construction, Inc.

Rick Butterfield,
Butterfield Electric, Inc.

Aaron Alhady,

McCarthy Building Companies, Inc.

David P. Parkes,

Flintco, Inc.

Toosje Koll,

Resources Global Professionals

Scott Kime, Flintco, Inc.



SACTO would like to recognize and thank these members of the SACTO Development Committee for generating at least \$5,000 in new membership revenue.

SACTO members are partners in ensuring acramento's prosperity Member support is the driving force

behind SACTO's efforts to ensure economic prosperity and global competitiveness. Despite the state of the economy, SACTO membership, committee involvement, and attendance at events remained remarkably high last year. In fact, new private sector member revenue reached an all-time high, and private sector revenue and retention were at higher-than-expected levels.

SACTO's leadership and quality work were recognized through reaccreditation as an Accredited Economic Development Organization by the International Economic Development Council. Originally accredited in 2005, SACTO is one of only 22 organizations nationally that has attained this standard of excellence.

BEHIND SACTO

Members Connect AT FOUR SELL-OUT EVENTS

- >> 17th Annual Trainor Fairbrook/ SACTO Golf Tournament
- >> Fall Membership Celebration
- >> Salute to New Industry Luncheon
- >> Spring Membership Celebration

CSER SIGNATURE Jublications – KEEPING SACTO MEMBERS INFORMED

- >> 4th Annual Prosperity Index
- >> Sacramento Region Business Forecast
- Ouarterly Economic Report / Prosperity Index, BUSINESS Component Update / Business Confidence Index
- >> Monthly Economy Watch
- >> Sacramento Region Databook
- >> Sacramento Region Economic Profile



(Left to right) Thomas J. Hammer, Shasta Linen Supply, Inc.; David Brennan, CB Richard Ellis, Inc.; Mayor Kevin Johnson, City of Sacramento; Narendra "Pat" Pathipati, Teichert, Inc.; Christopher Nelle, Union Bank, N.A.; Craig Wubben, McGee & Thielen Insurance Brokers, Inc.; Elliott Troshinsky, KCRA TV - Channel 3 / KQCA - Channel 58; Peter P. Bollinger, Peter P. Bollinger Investment Company; Charlene Singley, Sacramento Association of Realtors; Michael Feuz, Otto Construction; Paul Bystrowski, John O. Bronson Co. Insurance Agents; Ashil Abhat, Bank of America; Supervisor Don Nottoli, County of Sacramento; Russell Postell, News 10 (not pictured)

BEHIND SACTO



We rely extensively on CSER's analysis and publications to support our business recruitment activities, regional marketing strategies, and planning efforts. CSER's ability to provide credible and timely data and analysis has played a critical role in a number of company location and expansion decisions.

Barbara Hayes, Executive Director Sacramento Area Commerce and Trade Organization

SACTO research partner has new napue

The Sacramento Regional Research Institute (SRRI) was renamed the Center for Strategic Economic Research (CSER) to more accurately reflect the organization's core services and skills and broaden its identity beyond the Sacramento Region. The organization has been engaged in economic research activities in the Sacramento Region for over 30 years and has been SACTO's research partner for the past eight years. CSER will continue to work closely with SACTO's business attraction team providing economic and demographic data to give prospective companies an accurate and comprehensive view of the Sacramento Region.

The Center for Strategic Economic (CSER) is an economic and research consulting firm providing a full range of objective economic and demographic research services to businesses, government entities, educational institutions, and non-profit organizations.

Valued SACTO Members: Investing in SACTO and making a difference in the Sacramento Region

Dave Lucchetti
President / CEO
Pacific Coast Building Products, Inc.

Founded in 1953 with a single lumberyard, Pacific Coast Building Products, Inc. today has over 75 locations spread throughout the Western United States and Canada. Throughout its history, the company has remained firmly planted in the city that was the catalyst to its success, and the city they are proud to call home—Sacramento.





abd Insurance & Financial Services

AccuDiagnostics

Acorn Asset Management, Inc.

Action Learning Systems

Admail West

Advanced Data Centers

Aguer Havelock Associates, Inc.

Air Systems of Sacramento, Inc.

Airco Mechanical, Inc.

Airgas, Northern California & Nevada

AKT Development Corporation

Alfa Tech Cambridge Group

Alleghany Properties, LLC

American River Bank

American River Ventures

Andrega Geomatics

ANOVA Architects, Inc.

Aon Risk Services

Argyle Corrections

Association of Commercial Real Estate

(ACRF)

Astone

Atlas Disposal

Augustine & Associates

B2B CFO

Baker-Williams Engineering Group

Bank of America Bank of Sacramento

Bank of the West

Barcellona, Inc.

Bartholomew Associates

Bauer360

Bergelectric Corporation, Sacramento

BFB&A

BloodSource

Blue Diamond Growers

Blue River Interactive Group

The Boldt Company

Brown Construction, Inc.

BTV Development, LP

Buehler & Buehler Structural Engineers, Inc.

Bullivant Houser Bailey PC

Burnett + Company LLP, CPAs

Butterfield Electric, Inc.

Buzz Oates Management Services

California Chamber of Commerce

Capital Planning Advisors, Inc.

Capitol Area Development Authority

Carlton Engineering, Inc.

Carmazzi Global Solutions

CB Richard Ellis, Inc.

C.C. Myers, Inc.

CC&B Holdings, Inc.

CDC Small Business Finance

Cemo Commercial, Inc.

Central Valley Fund, LP

Century Management Company

City of Citrus Heights

City of Davis

City of Elk Grove

City of Folsom

City of Galt

City of Lincoln

City of Rancho Cordova

City of Rocklin

City of Roseville

City of Sacramento

City of West Sacramento

City of Woodland

Clark Pacific

Classique Catering

Coastal Partners, LLC

Colliers International

Collins Electrical Co., Inc.

Comcept Technologies, Inc.

Comerica Bank, California

Commerce Printing Services

Community Banks of Northern California

Comstock's Magazine

The Conco Companies

ConnectPoint Search Group

Cornish & Carey Commercial / ONCOR

International

CORT

County of El Dorado

County of Placer

County of Sacramento

County of Sutter

County of Yolo

County of Yuba

CRESA PARTNERS, LLC

Cushman & Wakefield of California, Inc.

CVL - Supply Chain Innovation

David L. Bonuccelli & Associates

David S. Taylor Interests, Inc.

DavisReed Construction

Dean F. Unger, AIA, Inc.

DesCor Builders

Diebold Election Systems

Diepenbrock Harrison

DLR Group, Inc.

Dome Printing

Donahue Schriber

Downey Brand Attorneys LLP

Downtown Sacramento Partnership

DPR Construction, Inc.

Drexel University Center for

Graduate Studies

Drexel University Online

Dreyfuss & Blackford Architects

DST Output

Dynamic Commercial Flooring Systems, Inc.

Economic & Planning Systems, Inc.

EDD - Labor Market Information Division

E.J. Plesko & Associates, Inc.

Elk Grove Chamber of Commerce

Elliott Homes, Inc.

EmailDirect, Inc.

Engineering System Solutions

(ES²)

Enterprise Fleet Management

Ernst & Young LLP

Esquire IMAX Theatre

Ethan Conrad Properties

The Evergreen Company

Exchange Bank

Farmers & Merchants Bancorp /

F&M Bank

First American Title Company

First Bank

First Northern Bank

Five Star Bank

Flintco, Inc.

Folsom Economic Development

Corporation

Foord, Van Bruggen, Ebersole & Pajak

Foundation for California Community Colleges

Frank M. Booth, Inc.

Franklin Templeton Investor Services, LLC

Fruitridge Printing & Lithograph, Inc.

Fulcrum Property

Gallagher Benefit Insurance Services

Gallina LLP

Gayle Manufacturing Company

Gekkeikan Sake (USA), Inc.

GenCorp

GeoEngineers

Geremia Pools, Inc.

Glass McClure

Glumac

GNT Solutions

Gold Pointe Corporate Center Association

Grafil, Inc.

Granite Construction Company

Graphic Focus

Grebitus & Sons Jewelers

Grubb & Ellis Company

The Gualco Group, Inc.

Guaranty Bank

Hansen and Associates Financial Group

Harsch Investment Properties, LLC

Harvego Enterprises, LLC

Haworth, Inc.

HBH Construction, Inc. Heery International, Inc.

Hefner, Stark & Marois, LLP

Herman Miller, Inc.

Hibser Yamauchi Architects. Inc.

Hines

The HLA Group / Landscape Architects

& Planners

HMH Builders

Hoque & Associates

Holt of California

HP Hood LLC

Hyatt Regency Sacramento

Indoor Environmental Services

Innovative Maintenance Solutions, Inc.

Integra Telecom
Intel Corporation

Intercultural Business Communication

InterfaceFLOR

InterState Oil

InterWest Insurance Services, Inc.

IronStone Bank
Irwin Union Bank

Jackson Properties, Inc.

JE Dunn Construction

Jenkins Insurance Group

John Laing Homes - Northern

California Division

John O. Bronson Co. Insurance Agents

Johnson Schachter & Lewis,

a Professional Law Corporation

Jones-Campbell Co.

J.R. Roberts / Deacon, Inc.

Kaiser Permanente

Karp Capital Management

KCRA TV - Channel 3 / KQCA - Channel 58

Keenan Holdings

Keller Group

Kikkoman Foods, Inc.

KKN, Inc.

Kleinfelder, Inc.

The KMS Group

Knox Lemmon Anapolsky & Schrimp, LLP

Koeller, Nebeker, Carlson, & Haluck, LLP

Kronick Moskovitz Tiedemann & Girard Kwan Henmi Architecture / Planning, Inc. Larkspur Hotels & Restaurants

Laverty Chacón, Inc. dba Laverty Chacón

Commercial Real Estate

Lawson Mechanical Contractors

Lionakis

Livingston's Concrete Service, Inc.

Los Rios Community College District

Lounge ON20

LPA, Incorporated

LPAS Architecture + Design

Luppen and Hawley, Inc.

Lyon Real Estate

The Macerich Company / Arden Fair Mall

Mailrite Print & Mail, Inc.
Mainstay Business Solutions

Maloof Sports and Entertainment

Manpower

The Mansour Company

MarketOne Builders, Inc.

Mason's at The Park

MatriScope Engineering Laboratories, Inc.

MBK Homes

McCarthy Building Companies, Inc.

McClellan Park / Stanford Ranch I, LLC

McCuen Properties

McDonough Holland & Allen PC

McGee & Thielen Insurance Brokers, Inc.

Mechanical Contractors Council

Media Solutions

The Merchants National Bank

of Sacramento

Mercy, a member of Catholic

Healthcare West Meridian Systems

MeringCarson

MFDB Architects, Inc.

Miles Treaster & Associates (MTA)

Mivamoto International, Inc.

Moss Adams LLP

Mourier Land Investment Corporation

Murphy Austin Adams Schoenfeld LLP

NAI BT Commercial

National Electrical Contractors Assn., Inc.

NEC Electronics America, Inc.

Nevada County Economic

Resource Council

News 10

The Niello Company

Nor-Cal Beverage Co., Inc.

North State Building Industry Association

Northrop Grumman Information Systems

Northwestern Mutual Financial Network

Nugget Markets, Inc.

Office Depot

Opus West Corporation

Otto Construction

Owen-Dunn Insurance

Pacific Coast Building Products, Inc.

Pacific Gas and Electric Company

Pacific Realty Associates, LP (PacTrust)

Pacific Staffing

Pan American Insurance Agency, Inc.

Panattoni Development Company, Inc.

Pappas Investments

Paragary's Restaurant Group

Parker Development Company

Parkinson Phinney

PBS&J

Performance Contracting, Inc.

Performance Mechanical, Inc.

Perry-Smith LLP

Peter P. Bollinger Investment Company

Pillsbury Winthrop Shaw Pittman LLP

Placer County Association of REALTORS®

PMA, Inc.

Potter-Taylor & Company

PricewaterhouseCoopers LLP

PRIDE Industries

Profit Recovery Partners, LLC

Propp Christensen Caniglia LLP

Psomas

Pulte Homes, Inc.

Quarry Ponds

Rabobank, N.A.

Radiological Associates of Sacramento

Medical Group, Inc.

Radisson Hotel Sacramento

RagingWire Enterprise Solutions, Inc.

Raley's

RAMCO Enterprises, Inc.

Ramos Oil Company, Inc.

Ray Stone Incorporated

The Recognition Group, Inc.

Recycling Industries, Inc.

Reeve-Knight Construction, Inc.

Resources Global Professionals

Rex Moore Electrical Contractors &

Engineers

Reznick Group

Risse Mechanical

Ritter Consulting

River City Bank

Robert Half International

Roebbelen

Romo & Associates, Inc.

Roseville Bank of Commerce

Roseville Chamber of Commerce

Royal Electric Company

RREEF

RSN & Associates

Rubicon Partners, Inc.

Rudolph and Sletten, Inc.

Runyon Saltzman & Einhorn, Inc.

Sacramento Asian Pacific Chamber of

Commerce (SACC)

Sacramento Association of Realtors

The Sacramento Bee

Sacramento Black Chamber

of Commerce

Sacramento Business Journal

Sacramento Coca-Cola Bottling Co., Inc.

Sacramento Convention & Visitors Bureau

Sacramento County Airport System

Sacramento Employment and Training

Agency (SETA)

Sacramento Habitat for Humanity

Sacramento Hispanic Chamber

of Commerce

Sacramento Magazines Corporation

Sacramento Metropolitan Chamber

of Commerce

Sacramento Municipal Utility District

Sacramento Philharmonic Orchestra

Association, Inc.

Sacramento Public Library

Sacramento Regional Builders Exchange

Sacramento Regional Transit District

Sacramento River Cats Baseball Club, LLC

Sacramento State

Safety Center, Incorporated

Sares Regis Group of Northern California, LP

SBM Site Services, LLC

Schetter Electric, Inc.

SCHOTT Solar, Inc.

Selland Family of Restaurants

Separovich / Domich Developers

Service West, Inc.

The Setzer Foundation

Shasta Linen Supply, Inc.

Sheraton Grand Sacramento

SIA Security Services

Siemens Transportation Systems, Inc.

Sierra College

Sierra Health Foundation

Sierra View Company, Inc.

Signature Reprographics

Sioukas Investments / JAS

Developments, Inc.

SKK Developments

SMA America, Inc.

SMACNA Sacramento Valley

Smile Business Products, Inc.

Snider Leasing

Sonoma Bank

Southwest Grading, Inc.

Stafford King Wiese Architects

The Stahl Companies, Inc. Sacramento

Stantec Consulting, Inc.

Streng Bros. Homes, Inc.

Sundt Construction, Inc.

SureWest

Sutter Commercial Properties

Sutter Health, Sacramento / Sierra Region

SynergyApplied

Tech Service 2 U

Teichert, Inc.

TelePacific Communications

Law Offices of Gregory D. Thatch

Theis Engineering Inc

Top Grade Construction, Inc.

Tower Development Corporation

Trainor Fairbrook

Trane

TravelStore

TRI Commercial Real Estate Services

Tri Counties Bank

Tricorp Construction, Inc.

Tsakopoulos Investments

Turley & Associates

UC Davis Extension, Continuing &

Professional Education

UC Davis Medical Center

Umpqua Bank

Unger Construction Company

Unicity Technologies LLC

Union Bank, N.A.

United Corporate Furnishings, Inc.

United Way California Capital Region

University of California, Davis

University of the Pacific, McGeorge

School of Law

University of Phoenix,

Sacramento Campus

University of Sacramento

Urata & Sons Cement, Inc.

U.S. Bank

U.S. National Leasing, LLC, dba

Depot Park

Valley Communications, Inc.

Valley Farm Transport, Inc.

ValleyCrest Landscape Development

Vanir Construction Management, Inc.

Vanir Development Company, Inc.

Velocity Venture Capital, LLC

Vision Service Plan

Visionary Integration Professionals, LLC

Visual Communication

Vital Networks

Volt Workforce Solutions

Wallace-Kuhl & Associates, Inc.

Ward Associates

Warren G. Bender Co.

Waste Management, Inc.

Weckworth Electric

Weidner Architectural Signage

Weintraub Genshlea Chediak

Wells Construction, Inc.

Wells Fargo and Company

Wells Fargo Insurance Services

Western Blue Corporation

Western Contract

Western Health Advantage

Westpark Associates

Wildlands, Inc.

Wilke, Fleury, Hoffelt, & Birney, LLP

William C. Newbill Insurance Services, Inc.

dba McClatchy Insurance Agency

Williams + Paddon Architects +

Planners, Inc.

WINDensity, Inc.

XO Communications

Yackzan Group, Inc.

Yuba Community College District

Yuba-Sutter Economic Development

Corporation (YSEDC)

ZFA Structural Engineers

SACTO STAFF

Barbara Hayes

Executive Director

Robert Burris

Deputy Director

Andrea Biaggi

Director,

Development &

Kim Neri

Director.

Finance & Operations

Carol Nicknig

Director,

Communications

Tracey Schaal

Director of

Strategic Marketing

Celeste Silveira

Manager

Finance & Operations

Vanessa Young

Manager.

Marketing & Communications

Rodrah Lukas

Receptionist &

Administrative Assistan

CSER STAFF

Ryan Sharp

Director

Helen Schaubmayer

Deputy Director

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors Sacramento Area Commerce and Trade Organization Sacramento, California

We have audited the accompanying statement of financial position of Sacramento Area Commerce and Trade Organization (a California corporation), as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sacramento Area Commerce and Trade Organization as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

> Sacramento, California September 10, 2009

Peny Smith cur

FINANCIAL STATEMENTS

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION

STATEMENT OF FINANCIAL POSITION

June 30, 2009 and 2008

	2009		2008	
ASSETS				
Current assets:				
Cash and cash equivalents	\$	177,019	\$	228,031
Certificates of deposit (Note 2)		645,000		450,000
Accounts receivable		73,123		34,594
Prepaids and other assets		44,133		45,356
Total current assets		939,275		757,981
Non-current assets:				
Certificates of deposit (Note 2)		100,000		200,000
Investments				135,442
Furniture and equipment, net of accumulated		5.000		40.074
depreciation of \$155,912 and \$153,890		5,628		16,074
Total assets	\$	1,044,903	\$	1,109,497
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable and accrued liabilities	\$	92,429	\$	41,688
Deferred revenue		37,625		106,750
Total current liabilities		130,054		148,438
Commitments (Note 3)				
Unrestricted net assets		914,849		961,059
Total liabilities and net assets	\$	1,044,903	\$	1,109,497

The accompanying notes are an integral part of these financial statements.

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION

STATEMENT OF ACTIVITIES

For the Years Ended June 30, 2009 and 2008

	2009		2008	
Changes in unrestricted net assets:				
Revenues:				
Private sector support	\$	956,147	\$	1,011,000
Public sector support		372,200		310,450
Meetings and events		301,625		343,892
Research		157,132		273,455
In-kind contributions		78,487		120,331
Advertising		67,320		75,971
Investment income, net		21,328	31,138	
Other income		1,048		2,320
Total revenues		1,955,287		2,168,557
Expenses:				
Marketing		710,824		952,798
Membership, committees and outreach		583,507	565,76	
Meetings and events		248,127	27 254,4	
Administrative		448,593	48,593 334,	
Depreciation		10,446		14,559
Total expenses		2,001,497		2,121,761
(Decrease) increase in unrestricted net assets		(46,210)		46,796
Unrestricted net assets, beginning of year		961,059		914,263
Unrestricted net assets, end of year	\$	914,849	\$	961,059

The accompanying notes are an integral part of these financial statements.

FINANCIAL STATEMENTS

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2009 and 2008

	2009		2008	
Cash flows from operating activities:				
(Decrease) increase in unrestricted net assets	\$	(46,210)	\$	46,796
Adjustments to reconcile (decrease) increase in	Ψ	(13,213)	Ψ	10,700
unrestricted net assets to net cash and cash				
equivalents (used in) provided by operating activities:				
Depreciation		10,446		14,559
Net unrealized losses on investment securities				8,781
Net (increase) decrease in accounts receivable		(38,529)		13,978
Net decrease (increase) in prepaids and other assets		1,223		(4,474)
Net increase (decrease) in accounts payable				
and accrued liabilities		50,741		(7,495)
Net (decrease) increase in deferred revenue		(69,125)		51,188
Net cash and cash equivalents (used in)				
provided by operating activities		(91,454)		123,333
Cash flows from investing activities:				
Purchases of certificates of deposit		(495,000)		(679,494)
Proceeds from maturity of certificates of deposit		400,000		705,553
Purchase of securities		100,000		(83,853)
Proceeds from sale of securities		135,442		(00,000)
Purchase of furniture and equipment				(3,841)
and the second s	_		-	
Net cash and cash equivalents provided by				
(used in) investing activities		40,442		(61,635)
Net (decrease) increase in cash and cash equivalents		(51,012)		61,698
Cash and cash equivalents, beginning of the year		228,031		166,333
		<u> </u>		,
Cash and cash equivalents, end of the year	\$	177,019	\$	228,031
Supplemental schedule of non-cash operating				
and investing activities:				
In-kind contributions	\$	78,487	\$	120,331



SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation

Sacramento Area Commerce and Trade Organization (SACTO) is a nonprofit organization incorporated for the primary purpose of attracting new commercial and industrial enterprises to the six-county Greater Sacramento Area. SACTO's purpose is to broaden the private sector job base throughout the El Dorado, Placer, Sacramento, Sutter, Yolo and Yuba County areas. In addition, SACTO provides research data and consultations. These services are provided through the organization's wholly-owned economic development division, Sacramento Regional Research Institute (SRRI).

SACTO is exempt from income taxes under the provisions of Section 501(c)(6) of the Internal Revenue Code and Section 23701e of the California Revenue and Taxation Code.

Cash and Cash Equivalents

Cash balances held by a bank are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2009, the bank balances totaled \$167,025, all of which was covered by FDIC insurance. The difference between the carrying amount and the bank balance results from outstanding items, such as outstanding checks and deposits in transit.

For purposes of reporting cash flows, cash and cash equivalents include cash in bank, money market accounts and certificates of deposits with original maturities less than three months.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management determines the allowance for doubtful accounts by using historical experience applied to an aging of accounts. Based on information available, there was no allowance for doubtful accounts at June 30, 2009 and 2008.

<u>Investments</u>

Investments consist of fixed income mutual funds with readily determinable fair values. Investments are reported at their fair values in the statement of financial position. Unrealized losses, which totaled \$8,781 at June 30, 2008, are included in investment income.

FINANCIAL STATEMENTS

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Furniture and Equipment

Purchased furniture and equipment are stated at cost. Donated furniture and equipment are recorded at fair value when received. SACTO reports gifts of furniture and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Depreciation is provided over the estimated useful lives (five to ten years) of the assets using the straight-line method.

Revenues

The operations of SACTO are supported primarily by private sector contributions and local government contracts and contributions. Private and public sector contributions are recognized when cash is received or assets and services are contributed. All contributions are unrestricted. Deferred revenue reflects membership dues received in advance or amounts received in advance of fundraising events which will be recognized as revenue in the period when the events occur.

Functional Allocation of Expenses

The costs of the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the activities and supporting services benefitted.

Overhead allocation is based on estimated direct and indirect staff time expended for the activity. As a result, personnel costs and other expenses were allocated as follows:

	June	June 30,		
	2009	2008		
Marketing	35%	43%		
Membership, committees and outreach	35%	34%		
Administrative	30%	23%		
	100%	100%		

Related Party Transactions

SACTO follows a policy of "members first" for purchases of goods and services. Any transactions with individual members of the Board of Directors are disclosed to the Board. In accordance with the policy of "members first," SACTO occasionally purchases goods and services from members and the Board of Directors at a reduced cost or no cost at all. During the fiscal years 2009 and 2008, there were no significant related party transactions.



SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

(Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 1.

In-Kind Contributions

In-kind contributions are measured at their fair value. During fiscal years 2009 and 2008, SACTO received in-kind contributions in the amount of \$78,487 and \$120,331, respectively, for the following services:

		J	une 30,		
	2009			2008	
Marketing Meetings and events Administrative	\$	65,346 13,141		\$	47,627 65,704 7,000
	\$	78,487		\$	120,331

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

2. **CERTIFICATES OF DEPOSIT**

The Organization maintained \$745,000 and \$650,000 in certificates of deposit at June 30, 2009 and 2008, respectively. Certificates of deposit are held by local banks and are insured up to \$250,000 by the FDIC. The bank balance of \$748,488 is fully insured. Maturities range from 12 to 18 months.

FINANCIAL STATEMENTS

SACRAMENTO AREA COMMERCE AND TRADE ORGANIZATION

NOTES TO FINANCIAL STATEMENTS

(Continued)

3. COMMITMENTS

SACTO has a noncancellable operating lease for its office facility that has been renewed and expires March 31, 2015. Anticipated future minimum rental payments under this lease will be as follows for the fiscal years ending June 30:

Year Ending		
June 30,		
2010	\$	103,908
2011		155,120
2012		158,995
2013		162,963
2014		167,045
Thereafter		127,615
	\$	875,646

Rent expense for the years ended June 30, 2009 and 2008 totaled \$162,874 and \$158,775, respectively.

4. RETIREMENT PLAN

SACTO has a discretionary defined contribution plan which covers regular employees who have attained the age of 21 and have performed services for the organization for one year. For qualified employees who make elective deferrals, SACTO makes a matching contribution up to 4% of the individual's salary. Employees are 100% vested in employer contributions. Additionally, the employee may elect to defer up to 15% of their annual compensation, subject to certain limitations. Employer contributions to these accounts for the years ended June 30, 2009 and 2008 were \$23,321 and \$24,068, respectively.

OFFICERS & BOARD OF DIRECTORS

OFFICERS

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Managing Director
Resources Global Professionals

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Brice W. Harris

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Northern Region Service & Sales Director Pacific Gas and Electric Company

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President, Pacific Division Flintco, Inc.

VICE CHAIR – MEMBER RELATIONS

Elaine Keane

Director of Marketing Pacific Coast Building Products, Inc.

IMMEDIATE PAST CHAIR

Jeffrey M. Koewler

Managing Partner
Downey Brand Attorneys LLP

CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR

Barbara A. Hayes

Executive Director

SACTO

LEGAL COUNSEL

Gary L. Bradus

Managing Shareholder Weintraub Genshlea Chediak

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Cynthia J. Adamson

Vice President HMH Builders

Debra Augustine

CEO / Executive Creative Director
Augustine & Associates

John A. Baker

Senior Vice President Kleinfelder, Inc.

Lori Bluett

Executive Director
Panattoni Development
Company, LLC

Rick Butterfield

President
Butterfield Electric, Inc.

Jack Crawford, Jr.

General Partner
Velocity Venture Capital, LLC

Tim Daly

Assistant Administrator
Sutter Medical Center, Sacramento

Robert D. Dean

Executive VP, Area Manager Grubb & Ellis Company

Cheryl Dell

Publisher & President
The Sacramento Bee

Peter C. Drozdoff

Vice President, Marketing & Sales SureWest

John E. Frisch

Senior Vice President / Manager Cornish & Carey Commercial / ONCOR International

Steven K. Green

Senior Vice President Farmers & Merchants Bancorp / F&M Bank Richard A. Henry

President, Northern Pacific
Division

McCarthy Building Companies, Inc.

Terry Joslin

President

Western Blue Corporation

Timothy M. King

Market President U.S. Bank

James Leet

Shareholder /
Chairman of the Board
McDonough Holland & Allen PC

Michael Newell

Director of Business Development HP Hood LLC

Daniel F. Ramos

Vice President

RAMCO Enterprises, Inc.

Ann Madden Rice

Chief Executive Officer
UC Davis Medical Center

Alan Schleiger

Regional Manager
DPR Construction, Inc.

Tim Yamauchi

Chief Financial Officer
PRIDE Industries

DESIGNATED DIRECTORS

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Mayor

City of Sacramento

Honorable John Knight

Supervisor, District 1
County of El Dorado

Honorable Kirk Uhler

Supervisor, District 4
County of Placer

Honorable Don Nottoli

Supervisor, District 5
County of Sacramento

Honorable Stan Cleveland

Supervisor, District 2
County of Sutter

Honorable Jim Provenza

Supervisor, District 4
County of Yolo

Honorable John Nicoletti

Supervisor, District 2
County of Yuba

Steve Bernard

Vice President, Advertising The McClatchy Company / The Sacramento Bee

Larry R. Booth

President / COO Frank M. Booth, Inc.

Gary Orr

Senior VP / Regional Manager Wells Fargo and Company

EX-OFFICIO DIRECTORS

G. Hardy Acree

Director of Airports
Sacramento County Airport System

Dr. Leo Chavez

Superintendent / President Sierra College

Linda Cutler

Vice President, Corporate Communications GenCorp

Dr. Alexander Gonzalez

President

California State University, Sacramento

Dr. Nicki Harrington

Chancellor

Yuba Community College District

Narendra 'Pat' M. Pathipati

Executive VP / CFO Teichert, Inc.

Renée Taylor

Director, Ward 1
SMUD Board

Dr. Larry N. Vanderhoef

Chancellor

University of California, Davis



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